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Attorneys for Plaintiffs

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

KLOOSTERBOER INTERNATIONAL
FORWARDING LLC and ALASKA
REEFER MANAGEMENT LLC,

Plaintiffs,

vs.

UNITED STATES OF AMERICA,
U.S. DEPARTMENT OF HOMELAND
SECURITY, U.S. CUSTOMS AND
BORDER PROTECTION, and TROY A.
MILLER, U.S. Customs and Border
Protection Acting Commissioner, in his
official capacity,

Defendants.

Case No.: 3:21-cv-____ (____)

DECLARATION OF THOMAS ZAFFIRO

Pursuant to 28 U.S.C. § 1746, I, Thomas Zaffiro, declare as follows:

1. I am the President of Channel Fish Processing Co., Inc. (“Channel”). I submit this affidavit in support of Kloosterboer International Forwarding LLC’s and Alaska Reefer Management LLC’s motion for a temporary restraining order and preliminary injunction. I have personal knowledge of the facts set forth herein.
2. Channel is a midsize, privately-owned seafood processing company located in Braintree, MA. Channel supplies both fresh and frozen seafood from Alaska and North Atlantic fisheries to retailers and food servicers in the U.S. market under private label brands.
3. Channel is also one of the largest suppliers to the USDA food bank and school lunch programs utilizing Wild Alaskan Pollock.
4. Wild Alaskan Pollock is one of the largest volume species in Channel’s portfolio. American Seafoods Company LLC (“ASC”) and other seafood companies operating in Alaska supply Wild Alaskan Pollock to Channel. If the distribution chain is not re-established expeditiously and Channel is unable to receive the product anticipated from ASC and other suppliers who utilize the Bayside, Canada route, it is likely that Channel will suffer irreparable harm. Three of our five largest customers buy Alaskan Pollock from Channel, as do approximately one hundred school systems and other commercial accounts. Based on my knowledge of the market, which has been

significantly disrupted due to the COVID epidemic, I believe that Channel would be unable to obtain cover by sourcing Pollock from another seller.

5. ASC sells fish to Channel DDP (“delivery duty paid”) Taunton, MA, which means that ASC assumes all responsibility for customs, duties, taxes, etc. Channel did not contract to bear any of the risk of compliance with US or other customs laws. I believe that if ASC cannot meet its obligation to Channel to deliver Alaskan Pollock at our Braintree plant, and if as a result Channel cannot meet its obligations to its customers, Channel is likely to lose at least some of its customers’ business permanently. While I have not been able to quantify the expected loss of business in the short time I have had available to prepare this declaration, my best estimate is that the company would lose approximately 30% of its business, or about \$30 million in revenue per year.

6. Channel now has less than 30 days of supply of Alaskan Pollock blocks on hand. When our supply runs out, we will not be able to continue our manufacturing operations.

7. A failure to obtain the ASC and other seafood suppliers’ product will have significant and damaging effects on Channel’s business and its employees. Channel employs (either directly or through a temp agency) more than 140 people on an hourly basis. I anticipate that we would need to lay off approximately 50% of our workforce in the first 30 days after our supply of Alaskan Pollock runs out.

8. Channel will also suffer significant financial losses from any significant delay in receiving the product it has ordered from ASC. Our fixed overhead costs are

approximately \$40,000 per day, whether or not we can produce fish. The consequential damages to our business, including the expected loss of customer relationships, would be immeasurable, and in my opinion, they would present an existential threat to Channel's continued existence.

9. Channel must receive the product it has ordered from ASC and other seafood suppliers using the Bayside, Canada route as soon as possible to ensure it can process and provide food to retailers and food service customers.

Dated: Braintree, Massachusetts
August 25, 2021

8-25-21



Thomas Zaffiro